



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Funding For Quality Schools - Fiscal 2007
2005 Regular Session New Funding Appropriated

The 2005 Session provided \$88 Million in K-12 School funding.

| Component | Total Cost | State Share | Local Share |
|--|----------------------|----------------------|---------------------|
| Entitlement Increases above Inflation \$250 per elementary student & \$100 per high school student - note numbers have been updated to most current data | \$ 19,966,566 | \$ 15,364,520 | \$ 4,602,046 |
| <input checked="" type="checkbox"/> District Court issue elementary funded less than high school | | | |
| <input checked="" type="checkbox"/> Improving the funding for all schools above inflation | | | |
| 3-Year Averaging | 15,839,648 | 12,164,373 | 3,675,275 |
| <input checked="" type="checkbox"/> Addressing fixed costs as recognized by the District Court Current year ANB ~143,298 3 year averaging ~147,161 - note numbers have been updated to reflect the most current data | | | |
| Special Education | 2,944,722 | 2,944,722 | - |
| <input checked="" type="checkbox"/> SB 152 Students with Special Needs | | | |
| Gifted and Talented | 100,000 | 100,000 | - |
| <input checked="" type="checkbox"/> SB 152 Students with Special Needs | | | |
| Indian Education for All | 550,000 | 550,000 | - |
| <input checked="" type="checkbox"/> SB 152 Indian Education for All | | | |
| <input checked="" type="checkbox"/> District Court Decision - Article X, section 1(2) | | | |
| School Facility -- Facility Reimbursement | 1,987,842 | 1,987,842 | (1,987,842) |
| <input checked="" type="checkbox"/> District Court Decision | | | |
| Funding for Quality Schools | \$ 41,388,778 | \$ 33,111,457 | \$ 6,289,479 |

Funding For Quality Schools - Fiscal 2007
2005 Special Session Governor's Proposed Funding

| Component | Units | Cost Per Unit | Total Cost | State Share | Local Share |
|---|----------------------------|---------------|----------------------|----------------------|---------------------|
| <u>Ongoing</u> | | | | | |
| Quality Educator Component ~ based on a student teacher ratio allowing schools to choose how to spend funds. | | | | | |
| <input checked="" type="checkbox"/> SB 152 The number of students in a district | | | | | |
| <input checked="" type="checkbox"/> SB 152 Isolated Schools with low population density | | | | | |
| <input checked="" type="checkbox"/> SB 152 Urban Schools with high population density | | | | | |
| <input checked="" type="checkbox"/> SB 152 Attract and Retain qualified educators and other personnel | | | | | |
| | <u>Number of Educators</u> | | | | |
| \$2,000 per quality educator | 12,214.5 | \$ 2,000 | \$ 24,429,000 | \$ 24,429,000 | \$ - |
| Close American Indian Student Achievement Gap Component | | | | | |
| <input checked="" type="checkbox"/> SB 152 American Indian Students (\$200 per American Indian student) | <u>ANB</u> 16,396 | \$ 200 | 3,279,200 | 3,279,200 | - |
| Indian Education for All Component | | | 3,000,000 | 3,000,000 | - |
| <input checked="" type="checkbox"/> District Court Decision - Article X, section 1(2) | | | | | |
| <input checked="" type="checkbox"/> SB152 Indian Education for All (\$20.40 per ANB, minimum \$100 per district) | | | | | |
| At Risk Component | | | 5,000,000 | 5,000,000 | - |
| <input checked="" type="checkbox"/> SB 152 Students with Special Needs (Based on Title I formula) | | | | | |
| Retirement Costs (Maximum if 90% of funds applied to salaries) | | | 4,981,294 | 1,344,949 | 3,636,345 |
| Sub-total Ongoing Funding Special Session | | | \$ 40,689,494 | \$ 37,053,149 | \$ 3,636,345 |

| Component | Total Cost | State Share | Local Share |
|--|-----------------------|-----------------------|---------------------|
| <u>One Time Only - 2007 biennium</u> | | | |
| Indian Education for All Component | 7,000,000 | 7,000,000 | - |
| <input checked="" type="checkbox"/> District Court Decision - Article X, section 1(2) | | | |
| <input checked="" type="checkbox"/> SB152 Indian Education for All (\$47.50 per ANB) | | | |
| Building Operation and Maintenance | | | |
| <input checked="" type="checkbox"/> District Court Decision | | | |
| Facility Study | 2,500,000 | 2,500,000 | - |
| Weatherization & Deferred Maintenance (\$1,000 per district & \$150 per ANB) | 23,000,000 | 23,000,000 | - |
| Energy Costs Relief (available now) (\$6.85 per ANB) (To be used for utilities or transportation only) | 2,000,000 | 2,000,000 | - |
| Teacher's Retirement System | 100,000,000 | 100,000,000 | - |
| <input checked="" type="checkbox"/> SB 152 Attract and Retain qualified educators | | | |
| Public Employee's Retirement System | 25,000,000 | 25,000,000 | - |
| <input checked="" type="checkbox"/> SB 152 Attract and Retain qualified educators and other personnel | | | |
| Sub-total One Time Only Funding | \$ 159,500,000 | \$ 159,500,000 | \$ - |
| Total Special Session Funding for Quality Schools | \$ 200,189,494 | \$ 196,553,149 | \$ 3,636,345 |

| | | | |
|--|-----------------------|-----------------------|-------------------|
| Total Funding for FY 2007 Quality Schools (Regular and Special Session) | \$ 241,578,272 | \$ 229,664,606 | \$ 992,524 |
|--|-----------------------|-----------------------|-------------------|

"BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS" AS DEFINED IN SB 152, NOW CODIFIED AT § 20-9-309(2), MCA

| Element | | Funding Source (bolded items indicate special session bills) |
|---|--|--|
| Accreditation standards | | All components of SB 1 and most other funding sources |
| Special needs, including | | |
| | Child with disability, as defined in 20-7-401 | State and federal special education line-item appropriations; Title I funding; medicaid funding; state categorical aid program – instate treatment; other special grants |
| | At-risk | On-going at-risk component of SB 1 ; Title I; medicaid funding; state categorical aid program – instate treatment; Title IV Drug Free and 21 st Century Schools; federal reading excellence funding; Title X Education of Homeless Children; federal and state school lunch programs |
| | Limited English proficiency | Targeted federal funding - Title III; on-going at-risk component of SB 1 ; on-going closing American Indian achievement gap component of SB 1 (approximately 83% of students in Montana with limited English proficiency are American Indians) |
| | Qualified for services under 29 U.S.C. 794 | One time only deferred maintenance in HB 1 ; medicaid; state categorical aid program – instate treatment |
| | Gifted and talented children, as defined in 20-7-901 | State categorical aid program – gifted and talented |
| | Indian Education for All | On-going Indian Education for All component of SB 1 ; one-time only appropriation in HB 1 ; ongoing and one- time only appropriations in 2005 regular session |
| Qualified and effective teachers, administrators, and staff | | Basic entitlement and per ANB entitlement, with permanent entitlement increases and permanent three year averaging (which helps address fixed costs) in SB 1 ; on-going quality educator component of SB 1 ; one-time only infusion into TRS and PERS to attract and retain qualified teachers in HB 1 ; federal Title II teacher and principal training |
| Facilities and distance learning technologies to meet accreditation standards | | Additional quality educator component to small schools in SB 1 ; one-time only facility study to assess needs in HB 1 (anticipate this will be phased in, long-term) ; one-time only weatherization or deferred maintenance ; one-time only for energy cost relief, including utilities ; operation and maintenance paid out of basic and per ANB entitlements; facility bond money available; federal Titles V and VI, Innovative Education and Rural; federal emergency school renovations |
| Transportation | | On-going line item appropriation for transportation; one-time only for energy cost relief may be used for transportation costs in HB 1 ; increased statutory reimbursement rates for individual transportation of students in SB 1 |
| Tracking student achievement | | On-going appropriation in OPI budget; accountability features of at-risk and closing Indian achievement gap components of SB 1 |
| Local control | | To the maximum extent possible. |

**SB 152 “EDUCATIONALLY RELEVANT FACTORS”
CODIFIED AT § 20-9-309(3), MCA**

“In developing a mechanism to fund the basic system of free quality public elementary and secondary schools and in making adjustments to the funding formula, the legislature shall, at a minimum, consider the following educationally relevant factors:”

| Educationally Relevant Factor | Where Considered/Funding Source (bolded items indicate special session bills) |
|--|--|
| Number of students in a district | Basic entitlement and per ANB entitlement, with permanent entitlement increases and permanent three year averaging (which helps address fixed costs) in SB 1; quality educator component of SB 1; one time only appropriations in HB 1 for weatherization or deferred maintenance, energy cost relief, and Indian Education for All; many if not most programs are funded based on the number of students in a district |
| Needs of isolated schools with low population density | Basic entitlement, with permanent entitlement increases and permanent three year averaging of per ANB entitlement in SB 1; quality educator component in SB 1; ongoing line-item appropriation for transportation; one time only for energy cost relief may be used for transportation costs |
| Needs of urban schools with high population density | On-going quality educator component of SB 1; per ANB entitlement with permanent entitlement increases in SB 1 |
| Needs of students with special needs, such as a child with a disability, an at-risk student, a student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and gifted and talented children | State and federal special education line-item appropriations; Title I funding; medicaid funding; state categorical aid program – instate treatment; other special grants; on-going at-risk component of SB 1; on-going closing American Indian achievement gap component of SB 1; one time only deferred maintenance in HB 1; Title IV Drug Free and 21 st Century Schools; federal reading excellence funding; Title X Education of Homeless Children; federal and state school lunch programs; Targeted federal funding - Title III; state categorical aid program – gifted and talented |
| Needs of American Indian students | On-going at-risk component of SB 1; on-going closing American Indian achievement gap component of SB 1; on-going Indian Education for All component of SB 1; one-time only appropriation in HB 1; ongoing and one-time only appropriations in 2005 regular session |
| Ability of school districts to attract and retain qualified educators and other personnel | Basic entitlement and per ANB entitlement, with permanent entitlement increases and permanent three year averaging (which helps address fixed costs) in SB 1; on-going quality educator component of SB 1; one-time only infusion into TRS and PERS to attract and retain qualified teachers in HB 1; federal Title II teacher and principal training |